

NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication. Due to time restraints, the Secretary of State's Office will no longer edit the text of proposed rules. We will continue to make numbering and labeling changes as necessary.

Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for adoption, amendment, or repeal of any rule. A.R.S. §§ 41-1013 and 41-1022.

NOTICE OF PROPOSED RULEMAKING

TITLE 3. AGRICULTURE

CHAPTER 2. DEPARTMENT OF AGRICULTURE

ANIMAL SERVICES DIVISION

PREAMBLE

- | | |
|------------------------------------|---------------------------------|
| <u>1. Sections Affected</u> | <u>Rulemaking Action</u> |
| R3-2-411 | Amend |
| R3-2-613 | Amend |
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statutes: A.R.S. §§ 3-1203, 3-1204, and 3-1205
- 3. A list of all previous notices appearing in the Register addressing the proposed rule:**
Notice of Rulemaking Docket Opening: 4 A.A.R. 2252, May 25, 2000
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
- | | |
|------------|--|
| Name: | Ross Rodgers |
| Address: | Arizona Department of Agriculture
1688 West Adams, Room 235
Phoenix, Arizona 85007 |
| Telephone: | (602) 542-0962 |
| Fax: | (602) 542-5420 |
| E-mail: | ross.rodgers@agric.state.az.us |
- 5. An explanation of the rule, including the agency's reasons for initiating the rule:**
This rulemaking updates Article 4, Animal Disease Prevention and Control to allow for Stage III hogs to enter the state for exhibition providing they are: (1) Barrows (neutered); (2) tested negative for pseudorabies within 15 days prior to entry; (3) go directly to the terminal exhibition; (4) leave the exhibition in a sealed truck, and go directly to a state or federal slaughter establishment; and (5) have an entry permit and health certificate on which is listed the premises identification and ear notches.
- 6. A reference to any study that the agency relied on in its evaluation of or justification for the rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material.**
None
- 7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

A. *The Arizona Department of Agriculture*

The Arizona Department of Agriculture is not economically affected by this rule.

B. *Political Subdivision*

Political subdivisions of this state are not directly affected by the implementation and enforcement of this rule-making.

C. *Businesses Directly Affected By the Rulemaking*

R3-2-411 requires exhibitors, such as 4-H and FFA participants, to obtain an exhibition certificate from a Department Livestock Inspector/Officer. The rule requires that these entities make contact with the local Livestock Inspector/Officer to make arrangements for the inspection. In addition, this rule sets specific individual identification of exhibition swine requirements that will necessitate some out-of-state swine sources to ear-notch their swine, and to obtain and use a premises identification. Ear-notching is a simple procedure, accepted nationally, that requires the purchase of an implement costing less than \$20. The premises identification is available through the state livestock health official and may be applied as a tattoo, or as a tamper-proof eartag. Tattoo application instruments cost approximately \$30. Tamper-proof eartags cost less than \$1.00 each and the reusable applicator approximately \$35. Requirement of exhibition swine to be individually identified enables staff veterinarians, practicing veterinarians, and Livestock Inspectors/Officers to confirm that swine match the identifications listed on test charts, health certificates, and bills of sale. This rule also requires exhibit officials to deny entry to the show of any swine that are not accompanied by the inspection certificate issued by a Livestock Inspector/Officer. Exhibit officials will have to check the paperwork on all incoming swine to ensure compliance.

R3-2-613 restricts the source of imported swine. Previously, swine could originate from any state, regardless of their pseudorabies risk status, providing certain health requirements were met. Because this still represents a risk for the reintroduction of pseudorabies, a disease that has been eradicated from Arizona, restriction of the source of swine will nearly eliminate the risk of disease reintroduction. This restriction will impact those commercial swine operations and swine exhibitors that source their swine from Stage I, II, and III states. It will require that for these people, sources in Stage IV and V states, states with low or no risk of disease, be located. Because all or nearly all states are expected to be at Stage IV or V by the end of the year 2000, any difficulty that commercial operators and exhibitors experience locating approved sources of swine should be short lived.

R3-2-613 also requires retesting of certain classes of imported swine for pseudorabies. Previously, all swine were required to be retested regardless of origin. This rule now recognizes the fact that swine from Stage V states are an extremely low risk for pseudorabies and consequently eliminates the requirement for retesting these animals. A retest for pseudorabies will continue to be required on swine from Stage IV states and QN herds in California.

D. *Private and public employment*

Private and public employment are not directly affected by the implementation and enforcement of this rulemaking.

E. *Consumers and the Public*

Because some animal diseases are transmissible to humans, consumers and the public are directly affected by this rule package through the prevention and control of these transmissible animal diseases, such as brucellosis and tuberculosis.

This rule package may also indirectly impact consumers and the public.

F. *State Revenues*

This rulemaking will have no impact on state revenues.

Arizona Administrative Register
Notices of Proposed Rulemaking

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Ross Rodgers
Address: Arizona Department of Agriculture
1688 West Adams, Room 235
Phoenix, Arizona 85007
Telephone: (602) 542-0962
Fax: (602) 542-0111
E-mail: ross.rodgers@agric.state.az.us

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: September 6, 2000
Time: 3:00 p.m.
Location: Arizona Department of Agriculture
1688 West Adams, Room 206
Phoenix, Arizona 85007
Nature: Oral Proceeding

Written comments on the proposed rules or preliminary economic, small business and consumer impact statement must be received by 5:00 p.m., September 6, 2000. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Department's coordinator, Patrick Stevens, (602) 542-4316 (voice) or 1-800-367-8939 (TTY Relay). Requests should be made as early as possible to allow time to arrange the accommodation.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 3. AGRICULTURE

**CHAPTER 2. DEPARTMENT OF AGRICULTURE
ANIMAL SERVICES DIVISION**

ARTICLE 4. ANIMAL DISEASE PREVENTION AND CONTROL

Section
R3-2-411. Exhibition Swine

ARTICLE 6. HEALTH REQUIREMENTS GOVERNING ADMISSION OF ANIMALS

Section
R3-2-613. Swine

ARTICLE 4. ANIMAL DISEASE PREVENTION AND CONTROL

R3-2-411. Exhibition Swine

- A.** In addition to meeting the requirements in Article 6, all imported swine not moved directly to an exhibition in Arizona shall be inspected by a Department livestock officer or inspector within 30 days after entry.
- B.** Exhibit officials shall deny entry to any swine not accompanied by the following documents:
1. Imported swine moved directly to an exhibition. An official health certificate as specified in R3-2-606 and an import permit as specified in R3-2-607;
 2. Imported swine not moved directly to the exhibition. A Department-issued certificate of inspection of exhibition swine containing the following:

Arizona Administrative Register
Notices of Proposed Rulemaking

- a. The name, address, telephone number, and signature of the owner;
 - b. The name of the inspector and the date, time, and location of the inspection;
 - c. The individual identification of the swine, using an earnotch, that conforms to the universal swine-earnotch system, and the premises identification number using a tattoo or producer-furnished tamper-proof eartag that conforms to the USDA National Premises Identification System.
3. Native Arizona swine. A Department-issued certificate of inspection of exhibition swine containing the following:
- a. The name, address, telephone number, and signature of the owner;
 - b. The name of the inspector and the date, time, and location of the inspection;
 - c. The individual identification of the swine, using an earnotch that conforms to the universal swine-earnotch system, and the premises identification number using a tattoo or producer-furnished tamper-proof eartag that conforms to the USDA National Premises Identification System.
- C. Department-issued certificate of inspection of exhibition swine. The owner shall provide the Department with:
1. Imported swine.
 - a. The certificate of veterinary inspection listing import permit and individual identification of the swine, using an earnotch that conforms to the universal swine-earnotch system, and the premises identification using a tattoo or a producer-furnished tamper-proof eartag that conforms to the USDA National Premises Identification System; and
 - b. If from a Stage IV state ~~or a qualified negative herd in California~~, documentation of a negative pseudorabies test conducted 15 to 30 days after entry.
 2. Native swine.
 - a. A bill of sale listing:
 - i. The name of the seller and buyer;
 - ii. The individual identification of the swine, using an earnotch that conforms to the universal swine-earnotch system, and the premises identification using a tattoo or a producer-furnished tamper-proof eartag that conforms to the USDA National Premises Identification System; and
 - iii. The date of the sale; or
 - b. Verification that the swine has been raised in Arizona and the individual identification of the swine, using an earnotch that conforms to the universal swine-earnotch system, and the premises identification using a tattoo or a producer-furnished tamper-proof eartag that conforms to the USDA National Premises Identification System.

ARTICLE 6. HEALTH REQUIREMENTS GOVERNING ADMISSION OF ANIMALS

R3-2-613. Swine

- A. The owner of swine entering Arizona, or the owner's agent, shall comply with the requirements of Article 6 and the following conditions:
1. Pay the expenses incurred to quarantine, test, and retest the imported swine; and
 2. Obtain an official health certificate as specified in R3-2-606 and permit as specified in R3-2-607.
- B. Brucellosis test requirements. Breeding swine imported into Arizona from other states shall:
1. Originate from a validated swine brucellosis-free herd or from a swine brucellosis-free state; or
 2. Test negative for brucellosis within 30 days before entry.
- C. Pseudorabies test requirements. Swine imported into Arizona from other states shall:
1. Be shipped directly from:
 - a. The farm of origin in a state recognized by USDA-APHIS as a pseudorabies Stage IV or Stage V state; or
 - ~~b. A pseudorabies qualified negative herd in California, or~~
 - b. The farm of origin in a state recognized by USDA-APHIS as a pseudorabies Stage III state if consigned directly to a terminal exhibition of only neutered swine, tested negative within 15 days before entry, and the swine are transported directly to a state or federally inspected slaughter facility immediately after the exhibition in a truck sealed by the State Veterinarian or his agent; or
 - c. A pseudorabies monitored feeder pig herd in a pseudorabies Stage II or Stage III state if consigned to a restricted swine feedlot; or
 - d. A sale in a state recognized by USDA-APHIS as a pseudorabies Stage IV or Stage V state providing all swine entered in the sale are from a state recognized by USDA-APHIS as a pseudorabies Stage IV or Stage IV state.
 2. ~~If from a pseudorabies qualified negative herd in California, be tested negative for pseudorabies within 30 days before entry if moving directly to exhibition.~~
 3. Except for feeder swine consigned to a restricted swine feedlot, swine moving directly to exhibition, and swine from a farm of origin in a state recognized by USDA-APHIS as a pseudorabies Stage V state, remain under import quarantine and isolation at the location specified on the import permit and health certificate, with the following restrictions, until tested negative for pseudorabies no sooner than 15 days or later than 30 days after entry:

Arizona Administrative Register
Notices of Proposed Rulemaking

- a. The isolation pen shall be at least 200 feet from straying pigs, other livestock, pets, or working dogs, and not be accessible to normal traffic flow.
 - b. Equipment, tools, and implements shall not be moved from isolation pens and used at another pen.
 - c. Workers shall disinfect their shoes and clothing before working with other livestock or the main herd.
 - d. The distance between an isolation pen and another swine pen shall be at least 200 feet and the isolation pen shall be double fenced to prevent exposure to accidental strays.
 - e. Imported quarantined swine testing positive after entry shall be shipped directly to a state or federal slaughter establishment within 15 days after the positive identification and shall be accompanied by a USDA-VS Form 1-27. The remainder of exposed animals shall be quarantined until the herd is declared free of the disease, or all exposed animals are depopulated and the premises cleaned and disinfected.
4. If exhibition swine move directly to exhibition ~~from a qualified negative herd in California or~~ from a herd in a Stage IV state remain in the state, they shall be held under import quarantine at a location disclosed by the exhibitor within 3 days of the end of the exhibition until tested negative for pseudorabies no sooner than 15 days or later than 30 days after entry with the restrictions identified in subsections (C)(3)(a) through (C)(3)(f).

NOTICE OF PROPOSED RULEMAKING

TITLE 3. AGRICULTURE

**CHAPTER 4. DEPARTMENT OF AGRICULTURE
PLANT SERVICES DIVISION**

PREAMBLE

- | | |
|--|--|
| <u>1. Sections Affected</u>
R3-4-716 | <u>Rulemaking Action</u>
Amend |
|--|--|
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statutes: A.R.S. §§ 3-107(A)(1) and 3-487(B)
Implementing statute: A.R.S. § 3-487
- 3. A list of all previous notices appearing in the Register addressing the adopted rule:**
Notice of Rulemaking Docket Opening: 6 A.A.R. 1513, April 21, 2000
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
- | | |
|------------|--|
| Name: | Ross Rodgers, Rules Specialist |
| Address: | Arizona Department of Agriculture
1688 West Adams, Room 235
Phoenix, Arizona 85007 |
| Telephone: | (602) 542-0962 |
| Fax: | (602) 542-0111 |
| E-mail: | ross.rodgers@agric.state.az.us |
- 5. An explanation of the rule, including the agency's reasons for initiating the rule:**
This rulemaking removes all container and packing requirements for unwrapped or naked head lettuce.
- In the past, more than 90% of all head lettuce was shipped naked and very little head lettuce was shipped in individual prewrapped packages or in packages with 3-heads to a pack. In today's market, most head lettuce is prepackaged for consumer use.
- Today, most retailers require prepackaging, they specify the type and size of container and how head lettuce must be arranged in that container. The lettuce industry is changing so rapidly it makes little sense for the Department to regulate packing requirements for head lettuce.

Arizona Administrative Register
Notices of Proposed Rulemaking

6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material.

None

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

A. The Arizona Department of Agriculture

Removing the requirements for head lettuce packaging allows the Department to accommodate producers and shippers by giving them the latitude of using whatever method necessary to meet changing industry requirements.

B. Political Subdivision

Political subdivisions of this state are not directly affected by the implementation and enforcement of this rule-making.

C. Businesses Directly Affected By the Rulemaking

Most retail establishments demand that head lettuce be prepackaged and packed in a specific manner. This rule-making allows producers and shippers to meet changing industry requirements when shipping head lettuce.

D. Private and public employment

Private and public employment is not directly affected by the implementation and enforcement of this rulemaking.

E. Consumers and the Public

Consumers and the public are not directly affected by the implementation and enforcement of this rulemaking.

F. State Revenues

This rulemaking will have no impact on state revenues.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Ross Rodgers, Rules Specialist
Address: Arizona Department of Agriculture
1688 West Adams, Room 235
Phoenix, Arizona 85007
Telephone: (602) 542-0962
Fax: (602) 542-0111
E-mail: ross.rodgers@agric.state.az.us

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date and Time: September 6, 2000, 4:00 p.m.
Location: Arizona Department of Agriculture
1688 West Adams, Room 206
Phoenix, Arizona 85007
Nature: Oral Proceeding

Written comments on the proposed rules or preliminary economic, small business and consumer impact statement must be received by 5:00 p.m., September 6, 2000. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Department's coordinator, Patrick Stevens, (602) 542-4316 (voice) or 1-800-367-8939 (TTY Relay). Requests should be made as early as possible to allow time to arrange the accommodation.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 3. AGRICULTURE

**CHAPTER 4. DEPARTMENT OF AGRICULTURE
PLANT SERVICES DIVISION**

ARTICLE 7. FRUIT AND VEGETABLE STANDARDIZATION

Sections

R3-4-716. Head Lettuce Standards ~~Containers, Packing Arrangements~~

ARTICLE 7. FRUIT AND VEGETABLE STANDARDIZATION

R3-4-716. Head Lettuce Standards ~~Containers, Packing Arrangements~~

A. Definition

“Serious damage” means damage caused by broken midribs, bursting, freezing, or tipburn:

1. “Broken midribs” ~~shall be~~ is considered serious damage when the midribs of more than ~~four~~ 4 of the outer head leaves are broken and severed all the way across the midrib.
2. “Bursting” ~~shall be~~ is considered serious when the head is cracked or split open and any part of the inner portion of the head is exposed.
3. “Freezing” ~~shall be~~ is considered serious damage when it affects any portion of the head inside the ~~six~~ 6 outer head leaves and the tissue in the inner head leaves is brittle, soft, pithy or discolored due to freezing.
4. “Tipburn” ~~shall be~~ is considered serious damage when the affected portion on ~~one~~ 1 or more leaves, inside the ~~six~~ 6 outer head leaves exceeds an aggregate area of 1 inch by ½ inch and the color of the tipburn is light buff or darker. Serious damage does not include areas showing tan or brown specks with normal lettuce color between ~~such~~ the specks.

B. Head lettuce, when being packed or offered for sale, shall conform to the following standards:

1. Head lettuce shall be mature;
2. Head lettuce shall not be leafy without head formation;
3. Head lettuce shall have no more than ~~six~~ 6 wrapper leaves adhering to the head;
4. Head lettuce shall be free from insect injury, slime or decay affecting the leaves within the head;
5. Head lettuce shall be free from seedstems which have been determined to be present by internal examination and which as depicted in the first illustration are less than ½ inch from the top of the head of lettuce or as depicted in either illustration exceed 4 inches in length;

LETTUCE SEEDSTEM



6. Head lettuce shall be free from serious damage.

Arizona Administrative Register
Notices of Proposed Rulemaking

- C. Not more than 5%, by count, of the heads of lettuce in any ~~one~~ 1 container or bulk lot shall contain decay or slime and not more than 15%, by count, shall fail to meet the total requirements prescribed in this Section.
- D. Individual containers in any lot shall not contain more than 1½ times the tolerance of defects prescribed in this Section if the percentage of defects in the entire lot averages within the tolerances specified, as determined by inspection of a representative sample, ~~as set forth in R3-4-740~~ specified in R3-4-738.
- ~~E. Packing requirements and standards containers for packaging head lettuce shall apply only to unwrapped or naked lettuce.~~
- ~~F. No heads shall be placed in irregular arrangements of flat layers except when 30 heads are packed in a standard container, 6 heads of the same size or dimensions may be placed between the two layers of 12 heads each.~~
- ~~G. Bulk lettuce shall be packaged in a container constructed either in a rectangular or semi-octagonal shape with an optional top cap and outside dimensions of 40 to 48 inches length, 33 to 40 inches width, and 24 to 42 inches depth. Bulk containers may be used for iceberg head lettuce harvested for processing.~~
- H. Standard containers for the packaging of unwrapped head lettuce shall conform to the following inside dimensions, in terms of inches. A closing device used to properly close the standard containers may be used only to assist in closing the container. The device shall not be used to apply pressure to eliminate any excessive bulge.

	Length	Width	Depth
Standard Containers	21"	14"	9-3/4"
	21-1/2"	16-1/8"	10-3/4"
	22-3/4"	14-7/8"	11"
	23-1/4"	15-1/4"	10-3/8"

- ~~I. Standard and bulk containers shall be of corrugated fiberboard construction and may vary in size by ¼ inch in all dimensions.~~

NOTICE OF PROPOSED RULEMAKING

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 22. BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY

PREAMBLE

- 1. Section Affected**
- | | |
|-----------|-------------|
| R4-22-104 | Amend |
| R4-22-105 | Repeal |
| R4-22-106 | Amend |
| R4-22-108 | Amend |
| R4-22-109 | Amend |
| R4-22-110 | Amend |
| R4-22-116 | New Section |
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
- Authorizing statutes: A.R.S. §§ 32-1803 and 41-1003
- Implementing statutes: A.R.S. §§ 32-1822, 32-1823, 32-1825, 32-1826, 32-1828, 32-1829, 32-1830, 32-1831, 32-1859, 32-1871, 32-2842 and 41-1073
- 3. A list of all previous notices appearing in the Register addressing the proposed rule:**
- Notice of Rulemaking Docket Opening: 6 A.A.R. 1514, April 21, 2000
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
- | | |
|------------|---|
| Name: | Ann Marie Berger, Executive Director |
| Address: | Arizona Board of Osteopathic Examiners in Medicine and Surgery
9535 East Doubletree Ranch Road
Scottsdale, Arizona 85258-5539 |
| Telephone: | (602) 657-7703, Ext. 22 |
| Fax: | (602) 657-7715 |

Arizona Administrative Register
Notices of Proposed Rulemaking

5. An explanation of the rule, including the agency's reasons for initiating the rule:

The proposed amendment to R4-22-104(A) is necessary to update the Board's approval of licensure examinations to reflect the currently available and appropriate examinations. The proposed repeal of R4-22-105 is necessary to reflect the repeal of legislation authorizing the Board to issue temporary licenses. The proposed amendment to R4-22-106 is necessary to provide time limitations on motions for rehearing and responses to motions for rehearing that are consistent with A.R.S. § 41-1092.09. The proposed amendment to R4-22-108 is necessary to update the Board's approved fee structure and to implement amendments to A.R.S. § 32-1826, enacted during 1998, authorizing additional fees for services provided by the Board. The proposed amendment to R4-22-109 is necessary to update the Board's approval of continuing medical education programs. The remaining proposed amendments, and the adoption of new rule R4-22-116, are necessary to comply with the requirements of A.R.S. § 41-1073, which requires an agency that issues licenses to have final rules in place establishing an overall time-frame during which the agency will either grant or deny each type of license that it issues. A.R.S. §§ 41-1072 through 41-1078 were enacted during the 1996 regular legislative session and require all administrative agencies, boards and commissions that are subject to the *Administrative Procedure Act* to establish, by rule, time-frames for all licensing activities. An overall time-frame for each license must be established. That time-frame must be split into 2 parts, the administrative completeness and the substantive review phase. The proposed rule establishes the necessary licensing time-frames for initial licensing, locum tenens registration or extension, educational teaching permits, training permits, short-term training permits, registration to dispense drugs and devices, approval of educational programs for medical assistants, and registration to read or interpret mammographic images. All other proposed amendments are for stylistic or clarifying reasons and do not change the substance of existing rules.

6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, and any analysis of the study and other supporting material:

Not applicable

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The proposed amendments of the rules will have only a minor economic impact on the Osteopathic physicians or medical assistants regulated under 4 A.A.C. 22, or the public. The Osteopathic physicians and medical assistants will be informed of the expected time-frames required to process applications to this agency. The costs are to the Secretary of State for publication of the rules and to the Board in promulgating them. Fees are consistent with statutory authorization or current rules, or are established at levels reflecting no more than the costs to the agency to perform the function for which the fees are imposed.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business and consumer impact statement:

Name: Ann Marie Berger, Executive Director

Address: Arizona Board of Osteopathic Examiners in Medicine and Surgery
9535 East Doubletree Ranch Road
Scottsdale, Arizona 85258-5539

Telephone: (602) 657-7703, Ext. 22

Fax: (602) 657-7715

10. The time, place and nature of the proceedings for the adoption, amendment or repeal of the rule, or, if no proceeding is scheduled, where, when and how persons may request an oral proceeding on the proposed rule:

Date: September 23, 2000

Time: Immediately following the September 23, 2000, Board Meeting

Location: Board of Osteopathic Examiners in Medicine and Surgery
9535 East Doubletree Ranch Road
Scottsdale, Arizona 85258-5539

Nature: Public Hearing

Arizona Administrative Register
Notices of Proposed Rulemaking

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

American Osteopathic Association Continuing Medical Education Guide, dated 1998. Rule R4-22-109(A)(1). Copies of the Guide may be obtained from the American Osteopathic Association by writing to the American Osteopathic Association, 142 Ontario Street, Chicago, IL 60611, or by telephoning (312) 280-5800.

13. The full text of the rules follows:

TITLE 4. PROFESSIONS, AND OCCUPATIONS

CHAPTER 22. BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY

ARTICLE 1. GENERAL PROVISIONS

Section

R4-22-104.	Examination and Issuance of Licenses; Lapse of Application
R4-22-105.	Temporary licenses <u>Repealed</u>
R4-22-106.	Rehearing or Review of Decision
R4-22-108.	Miscellaneous Fees
R4-22-109.	Continuing Medical Education; Approval; Waiver
R4-22-110.	Approval of Educational Programs for Medical Assistants
<u>R4-22-116.</u>	<u>Licensing Time-frames</u>

ARTICLE 1. GENERAL PROVISIONS

R4-22-104. Examination and Issuance of Licenses; Lapse of Application

- A.** Examination. ~~Under Pursuant to~~ A.R.S. § 32-1822(A)(4), an applicant for licensure by examination ~~must~~ shall pass either the ~~preferred examination by the National Board of Osteopathic Examiners (NBOE) Comprehensive Osteopathic Medical Licensing Examination (COMLEX)~~ with a weighted average of 75% as determined by the ~~NBOE~~ National Board of Osteopathic Medical Examination (NBOME) or the ~~federal licensing examination (FLEX)~~ United States Medical Licensing Examination (USMLE) with a grade of ~~at least 75% or above in both all~~ components. An applicant for licensure shall also pass the Board's jurisprudence examination with a grade of at least 75%. If the applicant previously passed the Federal Licensing Examination, National Board of Osteopathic Examiners' examination, USMLE, or NBOME, but has not been continuously either licensed or engaged in the practice of osteopathic medicine during the 7 years before application for licensure, the Board may order the applicant to take the Comprehensive Osteopathic Medicine Special Purpose Examination (COMSPEX) or the Special Purpose Examination (SPEX).
- B.** Waiver of examination. An applicant for licensure who is currently licensed to practice as an osteopathic physician and surgeon as specified in A.R.S. § 32- 1822(A)(4) need not take the examination referred to in subsection (A) if:
1. The applicant has taken the ~~USMLE, NBOME, FLEX, or NBOE examination~~ within the ~~seven~~ 7-year period preceding the date of application and passed with the grade level specified in subsection (A); or
 2. The applicant has been continuously engaged in osteopathic practice ~~and~~ or training since initial licensure. In determining whether an applicant has been continuously engaged in osteopathic practice ~~and~~ or training, the Board ~~will~~ shall consider the following:
 - a. Total length of time the individual has been in the practice of medicine;
 - b. Percentage of time the individual devoted to the practice of medicine while not in full-time practice; and
 - c. Type and amount of continuing medical education or professional training the individual obtained while not in full-time practice.
- C.** Personal interviews. ~~The purpose of the personal interview required by~~ Under A.R.S. § 32-1822(B)(6), ~~is the Board shall personally interview an applicant~~ to investigate the applicant's professional and personal background, ~~to~~ review the applicant's medical knowledge, ~~to~~ determine the applicant's ability to practice medicine in Arizona, and ~~to~~ clarify, explain, or amplify information obtained during the application process.
1. The personal interview ~~may~~ shall include questions relating to any or all of the following areas:
 - a. Substantive medical knowledge;
 - b. Arizona practice issues or problems;
 - c. Education qualifications;
 - d. Professional experience; and
 - e. ~~Applicant's moral~~ Moral character and fitness to practice medicine and surgery in Arizona.

Arizona Administrative Register
Notices of Proposed Rulemaking

2. An applicant ~~must~~ shall correctly answer 75% of the medical knowledge questions to be considered acceptable for licensure.
3. Any adverse information obtained by the Board during the personal interview may be grounds for further investigation or denial of licensure.

D. ~~Time limitations~~ Each applicant for Arizona Osteopathic licensure must pass the written examination if required, and appear before the Board for the personal interview within 1 year from the date the application is filed. Failure to do so shall cause the application to lapse. Within 6 months from the date of successful completion of the personal interview, each applicant for Arizona Osteopathic licensure must complete all requirements for issuance of the license including payment of all fees and completion of an internship. Failure to do so shall cause the application to lapse.

R4-22-105. Temporary licenses Repealed

- A.** ~~Issuance.~~ A temporary license shall be issued by the Secretary-Treasurer with the approval of the Board, provided the applicant meets the requirements for licensure under the terms and conditions as set forth in A.R.S. § 32-1823.01. Temporary licenses will be numbered consecutively beginning with 100 and bearing the suffix AT@, e.g. License No. 100-T.
- B.** ~~Letter of temporary licensure:~~ The Board shall issue a ~~Letter of Temporary Licensure@~~ to the applicant bearing:
1. The date of issue;
 2. The date of expiration;
 3. The signatures of the President or Vice President and the Secretary-Treasurer, and
 4. The seal of the Board.
- C.** ~~Local emergency:~~ A ~~Local emergency@~~ shall be deemed to exist wherever so declared by the Director of the Department of Health Services.
- D.** ~~Inadequate availability of medical care:~~ A lack of availability of adequate medical care in an Arizona community is deemed to exist if there is a critical shortage of physicians at tax supported institutions or in any locale where there is no coverage or inadequate coverage by osteopathic physicians and surgeons.
- E.** ~~The fee for the initial six-month term of a temporary license is \$100.00. The fee for the renewal term of a temporary license is \$100.00.~~

R4-22-106. Rehearing or Review of Decision

- A.** Except as provided in subsection (G), any party in a contested case before the Arizona Board of Osteopathic Examiners in Medicine and Surgery who is aggrieved by a decision ~~rendered in such the~~ case may file with the ~~Arizona Board of Osteopathic Examiners in Medicine and Surgery~~, not later than ~~ten~~ 30 days after service of the decision, a written motion for rehearing or review of the decision specifying the particular grounds ~~therefor on which the motion is based~~. For purposes of this subsection, a decision shall be deemed to have been served when personally delivered or mailed by certified mail to the party at ~~his the party's~~ last known residence or place of business.
- B.** A motion for rehearing under this rule may be amended at any time before it is ruled upon by the ~~Arizona Board of Osteopathic Examiners in Medicine and Surgery~~. A response may be filed by any other party within ~~ten~~ 15 days after service of ~~such the~~ motion or amended motion ~~by any other party~~. The ~~Arizona Board of Osteopathic Examiners in Medicine and Surgery~~ may require the filing of that written briefs upon the issues ~~raised in the motion~~ be filed and may provide for oral argument.
- C.** The Board may grant ~~A~~ rehearing or review of ~~the a~~ decision ~~may be granted~~ for any of the following causes materially affecting the moving party's rights:
1. Irregularity in the administrative proceedings of the agency Board or its hearing officer or the prevailing party, or any order or abuse of discretion, ~~whereby that the moving party~~ deprived the moving party of a fair hearing;
 2. Misconduct of the ~~Arizona Board of Osteopathic Examiners in Medicine and Surgery~~ or its hearing officer or the prevailing party;
 3. Accident or surprise ~~which that~~ could not have been prevented by ordinary prudence;
 4. Newly discovered material evidence ~~which that~~ could not ~~with reasonable diligence~~ have been discovered and produced at the original hearing with reasonable diligence;
 5. Excessive or insufficient penalties;
 6. Error in the admission or rejection of evidence or other errors of law occurring at the administrative hearing; and
 7. That the decision is not justified by the evidence or is contrary to law.
- D.** The ~~Arizona Board of Osteopathic Examiners in Medicine and Surgery~~ may affirm or modify ~~the a~~ decision or grant a rehearing to all or any of the parties and on all or part of the issues for any of the reasons ~~set forth~~ in subsection (C). ~~an~~ An order granting a rehearing shall specify with particularity the ground or grounds on which the rehearing is granted, and the rehearing shall cover only those matters ~~so~~ specified.

Arizona Administrative Register
Notices of Proposed Rulemaking

- E. Not later than 20 days after a decision is ~~rendered~~ made, the Board may on its own initiative order a rehearing or review of its decision for any reason for which it might have granted a rehearing on motion of a party. After giving the parties or their counsel notice and an opportunity to be heard on the matter, the Board may grant a motion for rehearing for a reason not stated in the motion. In either case, the order granting ~~such~~ a rehearing shall specify the grounds ~~therefor~~ on which it is based.
- F. When a motion for rehearing is based upon affidavits, they shall be served with the motion. An opposing party may ~~within ten days after such service~~ serve opposing affidavits within 10 days after service, ~~which~~ This period may be extended for an additional ~~period not exceeding~~ 20 days by the ~~Arizona Board of Osteopathic Examiners in Medicine and Surgery~~ for good cause shown or by written stipulation of the parties. Reply affidavits may be permitted.
- G. If in a particular decision the ~~Arizona Board of Osteopathic Examiners in Medicine and Surgery~~ makes specific findings that the immediate effectiveness of ~~such~~ the decision is necessary for the ~~immediate~~ preservation of the public peace, health, and safety, and that a rehearing of the decision is impracticable, unnecessary, or contrary to the public interest, the decision may be issued as a final decision without an opportunity for a rehearing or review. If a decision is issued as a final decision without an opportunity for a rehearing, any application for judicial review of the decision shall be made within the time limits ~~permitted for applications for judicial review of the Arizona Board of Osteopathic Examiners in Medicine and Surgery's final decision~~ provided by law.
- H. For purposes of this ~~section~~ Section, the terms "contested case" and "party" ~~shall be defined as~~ have the meaning provided in A.R.S. § 41-1001.
- I. To the extent that the provisions of this ~~rule~~ Section are in conflict with the provisions of any statute providing for rehearing of decisions of the ~~Arizona Board, of Osteopathic Examiners in Medicine and Surgery~~ such ~~the~~ statutory provisions ~~shall~~ govern.

R4-22-108. Miscellaneous Fees

The following fees for services rendered by the Board are ~~hereby~~ established:

1. For an application to practice osteopathic medicine, \$300.00.
2. For issuance of a license, \$100.00.
3. For renewal of a license, \$200.00 per year.
4. For 2-year license renewal, \$400.00.
5. For locum tenens registration, 30 days only, \$200.00.
6. For issuance of a duplicate license or card, \$25.00.
7. For annual registration of an approved internship, residency, clinical fellowship program, or short-term residency program, \$25.00.
8. For an annual teaching license at an approved school of medicine or at an approved teaching hospital's accredited graduate medical education program, \$300.
9. For a 5-day educational teaching permit at an approved school of medicine or at an approved teaching hospital's accredited graduate medical education program, \$100.00.
10. For the sale of those copies of the annual osteopathic medical directory that are not distributed free of charge, \$25.00.
11. For initial and annual registration to dispense drugs and devices, \$100.00.
12. For late renewal of a license (after February 1), \$150.00.
- ~~1-13.~~ For verification of a license to practice osteopathic medicine issued by the Board and copy of licensee's complaint history, \$5.00 per request.
- ~~2-14.~~ For a copy of the minutes to all Board meetings during the ~~calendar~~ fiscal year, \$75.00.
- ~~3-15.~~ For the sale of lists of physicians licensed by the Board, \$25.00.
- ~~4-16.~~ For copying records, documents, letters, minutes, applications, and files, 25¢ per page.
- ~~5-17.~~ For copying audio tapes, \$35.00 per tape.
- ~~6-18.~~ For the sale of computerized tapes or diskettes not requiring programming, \$100.00.
19. For the sale of lists of physicians licensed by the Board in label or directory format (on computer disk), \$100.00.
20. For copies of entire files, \$10.00 per file.
21. For cover sheet, \$5.00.

R4-22-109. Continuing Medical Education; Approval; Waiver

- A. Board-approved continuing medical education programs required by A.R.S. § 32-1825(B) include:
1. Programs classified by the American Osteopathic Association (AOA) as Approved Category 1A Continuing Medical Education defined in the AOA Continuing Medical Education Guide dated ~~1983~~ 1998, ~~which is~~ incorporated herein by reference and on file at the Board's office and in the Office of the Secretary of State.
 2. Residency, internship, fellowship or preceptorship in a teaching institution approved by the AOA or the American Medical Association (AMA).
- B. No change.
- C. No change.

Arizona Administrative Register
Notices of Proposed Rulemaking

R4-22-110. Approval of Education Programs for Medical Assistants

- A. The Board shall approve an education program for medical assistants ~~when~~ after it ~~has received~~ receives all of the information specified in ~~paragraph~~ subsection (B)(1) or (B)(2), as applicable, concerning the program and the Board determines that the educational program provides at a minimum the following training:
1. No change.
 2. No change.
 3. No change.
 4. No change.
 5. No change.
- B. No change.
- C. No change.
- D. No change.
- E. No change.

R4-22-116. Time-frames for Licenses, Certifications, and Approvals

- A. For each type of license, certification, approval, or renewal of license or certification issued by the Board, the overall time-frame described in A.R.S. § 41-1072(2) is set forth in Table 1.
- B. For each type of license, certification, approval, or renewal of license or certification issued by the Board, the administrative completeness review time-frame described in A.R.S. § 41-1072(1) is set forth in Table 1 and begins on the date the Board receives an application.
1. If the application and documents are not complete, the Board shall send to the applicant a deficiency notice.
 - a. The deficiency notice shall state each deficiency and the information needed to complete the application and documents.
 - b. Within the time provided in Table 1 for response to the deficiency notice, beginning on the mailing date of the deficiency notice, the applicant shall submit to the Board the missing documents and information specified in the notice. The time-frame for the Board to finish the administrative completeness review is suspended from the date the Board mails the deficiency notice to the applicant until the date the Board receives the missing information.
 2. If the application is administratively complete, the Board shall send a written notice of administrative completeness to the applicant.
 3. If the application and submitted documents and information are not completed within the time provided to respond to the deficiency notice, the Board shall send a written notice to the applicant informing the applicant that the application is deemed withdrawn.
- C. For each type of license, certification, approval, or renewal of license or certification issued by the Board, the substantive review time-frame described in A.R.S. § 41-1072(3) is set forth in Table 1 and begins on the date the Board sends written notice of administrative completeness to the applicant.
1. During the substantive review time-frame, the Board may make 1 comprehensive written request for additional information. Within the time provided in Table 1 for response to a comprehensive written request for additional information, beginning on the mailing date of the comprehensive written request for additional information, the applicant shall submit to the Board the requested additional information. The time-frame for the Board to finish the substantive review is suspended from the date the Board mails the comprehensive written request for additional information to the applicant until the Board receives the requested additional information.
 2. The Board shall issue a written notice of denial of the licensure, certification, approval, or renewal of license or certification if the Board determines that the applicant does not meet all of the substantive criteria required by rule or statute for licensure, certification, approval or renewal of license or certification.
 3. The Board shall issue a written notice informing the applicant that the application is deemed withdrawn if the applicant does not submit requested additional information within the time-frame in Table 1.
 4. If the applicant meets all of the substantive criteria required by statute or rule for licensure, certification, approval, or renewal of license or certification, the Board shall issue the license, certification, approval or renewal of license or certification to the applicant.
- D. In computing any period of time prescribed in this Section, the day of the act, event or default after which the designated period of time begins to run is not included. The last day of the period is included unless it is Saturday, Sunday or a state holiday, in which event the period runs until the end of the next day that is not Saturday, Sunday or a state holiday. The computation includes intermediate Saturdays, Sundays and state holidays. The time period begins on the date of personal service, date shown as received on a certified mail receipt, or postmark date.

Arizona Administrative Register
Notices of Proposed Rulemaking

Table 1. Time-frames
(in days)

<u>Type of License</u>	<u>Authority</u>	<u>Overall Time-frame</u>	<u>Administrative Review Time-frame</u>	<u>Time to Respond to Deficiency Notice</u>	<u>Substantive Review Time-frame</u>	<u>Time to Respond to Request for Additional Information</u>
<u>Initial License</u>	<u>A.R.S. § 32-1822</u>	<u>360</u>	<u>180</u>	<u>365</u>	<u>180</u>	<u>90</u>
<u>Locum Tenens Registration or Extension</u>	<u>A.R.S. § 32-1823</u>	<u>30</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
<u>License Renewal</u>	<u>A.R.S. § 32-1825</u>	<u>90</u>	<u>90</u>	<u>15</u>	<u>0</u>	<u>0</u>
<u>Educational Teaching Permit</u>	<u>A.R.S. § 32-1828</u>	<u>10</u>	<u>5</u>	<u>10</u>	<u>5</u>	<u>10</u>
<u>Training Permit or Renewal</u>	<u>A.R.S. § 32-1829</u>	<u>10</u>	<u>5</u>	<u>10</u>	<u>5</u>	<u>10</u>
<u>Short Term Training Permit</u>	<u>A.R.S. § 32-1829(C)</u>	<u>10</u>	<u>5</u>	<u>10</u>	<u>5</u>	<u>10</u>
<u>Registration to Dispense Drugs and Devices</u>	<u>A.R.S. § 32-1871</u>	<u>150</u>	<u>45</u>	<u>30</u>	<u>105</u>	<u>30</u>
<u>Approval of Educational Programs for Medical Assistants</u>	<u>A.R.S. § 32-1859</u>	<u>360</u>	<u>180</u>	<u>365</u>	<u>180</u>	<u>90</u>
<u>Registration to Read or Interpret Mammographic Images</u>	<u>A.R.S. § 32-2842</u>	<u>150</u>	<u>45</u>	<u>30</u>	<u>105</u>	<u>30</u>
<u>Teaching License</u>	<u>A.R.S. § 32-1831</u>	<u>30</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>

NOTICE OF PROPOSED RULEMAKING

TITLE 12. NATURAL RESOURCES

CHAPTER 7. OIL AND GAS CONSERVATION COMMISSION

PREAMBLE

1. Sections Affected

R12-7-101
R12-7-121
R12-7-125

Rulemaking Action

Amend
Amend
Amend

2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statutes: A.R.S. §§ 27-516(A) and 27-656

Implementing statutes: A.R.S. §§ 27-516(A)(1) and (2), 27-652(A), and 27-661

3. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Rulemaking Docket Opening: 6 A.A.R. 2128, June 9, 2000

Arizona Administrative Register
Notices of Proposed Rulemaking

4. The name and address of agency personnel with whom persons may communicate regarding the rule:

Name: Steven L. Rauzi, Oil & Gas Administrator
Address: Arizona Geological Survey
416 West Congress, Suite 100
Tucson, Arizona 85701-1315
Telephone: (520) 770-3500
Fax: (520) 770-3505

5. An explanation of the rule, including the agency's reasons for initiating the rule:

R12-7-101 lists definitions used in the rules. R12-7-121 specifies completion and reporting requirements for wells. R12-7-125 specifies requirements to temporarily abandon wells. These rules are being amended to be consistent with changes in statute and to improve clarity and understandability.

6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:

None

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

These rules directly impact companies drilling for oil, gas, and geothermal resources. The rules are mostly procedural in nature and will not significantly impact the economy or have a significant impact upon small businesses or consumers. The proposed rulemaking will benefit the regulated community by clarifying reporting requirements.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Steven L. Rauzi, Oil & Gas Administrator
Address: Arizona Geological Survey
416 West Congress, Suite 100
Tucson, Arizona 85701-1315
Telephone: (520) 770-3500
Fax: (520) 770-3505

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: September 15, 2000
Time: 10:00 a.m.
Location: 1616 West Adams, Room 321
Phoenix Arizona 85007
Nature: Oral proceeding to adopt amended rules

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporation by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 12. NATURAL RESOURCES

CHAPTER 7. OIL AND GAS CONSERVATION COMMISSION

ARTICLE 1. OIL, GAS, HELIUM, AND GEOTHERMAL RESOURCES

Section

- R12-7-101. Definitions
R12-7-121. Well Completion and Filing Requirements
R12-7-125. Temporary Abandonment

ARTICLE 1. OIL, GAS, HELIUM, AND GEOTHERMAL RESOURCES

R12-7-101. Definitions

In this Chapter, unless the context otherwise requires:

1. "API" means American Petroleum Institute.
2. "Barrel" means 42 (US) gallons measured at 60° F. and atmospheric pressure at sea level.
3. "BTU" means British thermal unit and represents the quantity of heat required to raise the temperature of 1 pound of water 1° F. at or near 39.2° F.
4. "Commission" means the State Oil and Gas Conservation Commission or any person lawfully empowered to act on its behalf.
5. "Condensate" means the liquid hydrocarbons recovered at the surface that result from condensation due to reduced pressure or temperature of petroleum hydrocarbons existing initially in a gaseous phase in the reservoir.
6. "Cubic foot of gas" means the volume of gas contained in 1 cubic foot of space at a standard pressure base of 14.73 pounds per square inch absolute and a standard temperature base of 60° F.
7. "Gas well" means any well which produces with a gas-oil ratio in excess of 50,000 cubic feet of gas per barrel of oil.
8. "Injection well" means any well used for the injection of air, gas, water or any other substance into any underground stratum.
9. "Mcf" means 1000 cubic feet of gas reported at a pressure base of 14.73 pounds per square inch and 60° F.
10. "Oil well" means any well which produces with a gas-oil ratio less than 50,000 cubic feet of gas per barrel of oil.
11. "Operator" means any person authorized by an owner ~~or owners, who controls~~ to control the day-to-day activities of a well, ~~or~~ production, or refining facility.
"Shut-in Well" means a well that is capable of production in paying quantities, is completed as a producing well, and is not presently being operated.
12. "Stratigraphic test or core hole test" means any hole drilled for the sole purpose of obtaining geological information.
"Temporarily Abandoned Well" means a well that is not capable of production in paying quantities, and is not presently being operated.

R12-7-121. Well Completion and Filing Requirements

~~A. For the purpose of this rule only, a well shall be determined to be completed when it is capable of production, has been temporarily abandoned as provided for in R12-7-125, or has been plugged and abandoned as provided for in R12-7-126 and R12-7-127.~~

~~B.~~ A. An The operator shall file a completion report with the Commission within 30 days after the completion of a well. The completion report shall contain a description of the well and lease, the casing record, the tubing record, the liner record, the perforation record, the stimulation and cement squeeze record, and data on the initial production. An operator shall submit other well data to the Commission within 30 days of the date the work is done, including any:

1. Lithologic, mud, or wireline log;
2. Directional survey;
3. Core description and analysis;
4. Stratigraphic or faunal determination;
5. Formation or drill-stem test;
6. Formation fluid analysis; and
7. Any other similar information or survey.

~~Other well data, including all logs, tests, and surveys shall be filed with the completion report or within 30 days after the completion of the well.~~

Arizona Administrative Register
Notices of Proposed Rulemaking

~~C.B.~~ An The operator shall furnish samples of all cores and cuttings, at a maximum interval of 10 feet, to the Commission within 30 days of the completion of drilling. An operator may furnish core samples in chips at 1-foot intervals, removing the drilling rig from the hole. All samples for the Commission shall be handled as follows: An operator shall:

1. All Wash and dry all samples; ~~shall be washed and dried.~~
2. Approximately Place approximately 3 tablespoons of each sample ~~shall be placed in an envelope showing the identification of a container with the following identifying information:~~ the well from which the sample originated originates, the location of the well, the Commission's permit number, and the depth at which the sample is taken; and at which the sample was taken.
3. ~~Samples shall be packaged in~~ Package samples in protective boxes and ship for protection and shall be shipped pre-paid to:

Oil and Gas ~~Program~~ Administrator
Arizona Geological Survey
416 West Congress, Suite 100
Tucson, Arizona 85701

4. ~~Core samples may be furnished in chips and packed and shipped as specified in paragraphs (2) and (3).~~

~~D.C.~~ Upon written request by the operator, the The Commission shall keep any well information required ~~by~~ in this Section confidential for ~~a period 1 year after the completion of drilling unless the operator gives written permission to release the information at an earlier date. The Commission shall provide notice to an operator 60 days before confidential records become subject to inspection and, at an operator's request, extend the confidential period for 6 months to 2 years if the Commission finds that an operator has demonstrated that release would harm the operator's competitive position with respect to unleased land in the vicinity of the well, not to exceed 6 months from the completion date of a stratigraphic or exploratory hole and for a period not to exceed 2 years from the completion date of a geothermal resources well.~~

R12-7-125. Temporary Abandonment

A. When drilling, injection, or production operations have been suspended for 60 days, an operator the well shall plug a well under be plugged and abandoned as required in R12-7-126 and R12-7-127, unless the Commission permits the well to be temporarily abandoned. An operator of a well that is capable of producing oil or gas but must remain shut-in until connected to a gathering system, pipeline or cleansing facility, or for some other reason, may request that such well be classified as shut-in. The Commission shall not consider a request to classify a well as shut-in until the operator has submitted a completion report and official test results on the appropriate Commission form, unless the operator obtains written permission for temporary abandonment from the Commission. On drilling wells, the drilling rig shall not be removed from the hole until written permission for temporary abandonment is obtained from the Commission. Permission granted shall be for a period not to exceed 1 year. One-year extensions may be granted.

B. When requesting temporary abandonment, the operator shall file with the Commission a description of the mechanical condition of the well and a current corrosion, caliper, or cement bond log. The Commission shall not approve temporary abandonment or an extension unless the operator can show that the mechanical condition of the well will prevent damage to the producing zone, prevent contamination of fresh waters or other natural resources, and prevent leakage of any substance at the surface. The Commission may require a mechanical integrity test of the casing before approving or extending temporary abandonment.

An operator may temporarily abandon a well for up to 5 years provided the operator can justify before the Commission a future beneficial use of the well and submits a Sundry Notice containing the following information:

1. Evidence of casing integrity as required in R12-7-112 including a complete description of the current casing, cementing, and perforation record of the well;
2. The stimulation and cement squeeze record and complete data on the results of any well tests performed to date; and
3. All other well data required in R12-7-121(A).

C. ~~Upon expiration of the period of temporary abandonment or an extension, the well shall be plugged and abandoned, unless the operator can demonstrate to the Commission why the well should not be plugged and abandoned, and a further extension issued.~~

Prior to the expiration of any approved temporary abandonment the operator shall return the well to beneficial use under a plan approved by the Commission, permanently plug and abandon the well or apply for a new approval to temporarily abandon the well. If the integrity of the well casing is in question, the Commission may require an operator to:

1. Prove casing integrity to continue temporary abandonment or shut-in status;
2. Plug any well that fails to meet the casing integrity required by R12-7-112; and
3. Re-test the well in accordance with R12-7-150 to continue shut-in status.

Arizona Administrative Register
Notices of Proposed Rulemaking

- D. ~~Before reentering any temporarily abandoned well, the operator shall give the Commission at least 10 days' written notice detailing the proposed activity.~~

No work shall begin on a temporarily abandoned or shut in well until approved by the Commission, and the operator shall give at least 24 hours' notice to the Commission before any work actually begins. Within 15 days of completing the proposed activity, the operator shall file a subsequent written report with the Commission fully describing the work performed including a copy of all test rates, pressures, and fluid analyses.

NOTICE OF PROPOSED RULEMAKING

TITLE 13. PUBLIC SAFETY

CHAPTER 5. LAW ENFORCEMENT MERIT SYSTEM COUNCIL

PREAMBLE

- | <u>1. Sections Affected</u> | <u>Rulemaking Action</u> |
|------------------------------------|---------------------------------|
| Article 3 | |
| R13-5-304 | Amend |
| R13-5-307 | Amend |
| R13-5-316 | Amend |
| Article 5 | |
| R13-5-503 | Amend |
| R13-5-513 | Amend |
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statute: A.R.S. § 41-1830.12(A)
Implementing statutes: A.R.S. § 41-382(19)(a), 41-1714, 41-1830.11, 41-1830.12, 41-1830.13, and 41-1830.14
- 3. A list of all previous notices appearing in the Register addressing the proposed rule:**
Notice of Rulemaking Docket Opening: 6 A.A.R. 2733, July 21, 2000
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
Name: Commander C. H. Johnston, Business Manager
Address: Law Enforcement Merit System Council
P.O. Box 6638
Phoenix, Arizona 85005
Telephone: (602) 223-2286
Fax: (602) 223-2096
E-mail: Cjohnston@dps.state.az.us
- 5. An explanation of the rules, including the agency's reasons for initiating the rules:**
The Law Enforcement Merit System Council (Council) completed a major rewrite of the rules on May 10, 2000. It was anticipated that some minor revisions would be needed following such a major rewrite. These revisions are intended to clarify the rules. On June 21, 2000, the Council approved a Substantive Policy Statement to clarify the reinstatement rule (R13-5-316). This change includes the Substantive Policy Statement approved by the Council.
- 6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:**
Not applicable
- 7. A showing of good cause why the rules are necessary to promote a statewide interest if the rules will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable

Arizona Administrative Register
Notices of Proposed Rulemaking

8. The preliminary summary of the economic, small business, and consumer impact:

It is anticipated that the change in R13-5-304 will make it easier for an agency to recruit and employ good applicants. This will result in a financial saving to the agency. The changes in R13-5-307 and R13-5-316 will have no appreciable economic impact on the state, the agency or the citizens. The change in the annual and sick leave accrual for a part-time employee will result in a cost saving for an agency employing a part-time employee. It will make it more cost-effective for an agency to employ a part-time employee without providing benefits to the part-time employee. This is more consistent with the rest of state government and with private industry.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Commander C.H. Johnston, Business Manager
Address: Law Enforcement Merit System Council
P. O. Box 6638
Phoenix, Arizona 85005
Telephone: (602) 223-2286
Fax Number: (602) 223-2096
E-mail: Cjohnston@dps.state.az.us

10. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rules or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rules:

Following submission to the Secretary of State and the rules being published in the *Arizona Administrative Register*, written comments will be received at the address listed in item #9 for a period of 30 days. A public hearing will be scheduled if one is requested. Otherwise, the record will be closed at the end of the 30-day period following the publication in the *Arizona Administrative Register*. If a public meeting is requested, the record will be closed at the end of the public meeting.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

Not applicable

13. The full text of the rules follows:

TITLE 13. PUBLIC SAFETY

CHAPTER 5. LAW ENFORCEMENT MERIT SYSTEM COUNCIL

ARTICLE 3. EMPLOYMENT

Sections

R13-5-304.	Employment
R13-5-307.	Reinstatement
R13-5-316.	Probation

ARTICLE 5. EMPLOYEE LEAVE

Sections

R13-5-503.	Annual Leave
R13-5-513.	Sick Leave

ARTICLE 3. EMPLOYMENT

R13-5-304. Employment

- A.** No change.
- B.** No change.
- C.** No change.
- D.** No change.

Arizona Administrative Register
Notices of Proposed Rulemaking

- E. Duration of an eligibility list. The business manager shall establish each new or merged list for 1 year from its effective date. Before a list expires, the Council may extend the duration of or cancel a list. The Council may extend a list for no more than 1 6-month period. The maximum duration of a list shall be 18 months except in the event there is a court order placed on the list preventing promotions from the list by the agency.
1. Restoring a list. If a need arises and a current list is not available, the Council may restore a list that expired or was canceled within the past 6 months.
 2. Merging a list. Except for the classifications described in R13-5-304(E)(3) if 3 or fewer candidates remain on an existing list, Human Resources may establish a new list and merge the existing list with the new list. When the merged list is established, Human Resources shall rearrange the names in descending order of the candidates' final scores and notify each candidate of the candidate's relative ranking. Human Resources shall remove a candidate's name from the new list on the expiration date of the candidate's original list.
 3. Conducting continuous or periodic testing. If the Council determines that a classification requires continuous or periodic testing, the business manager may authorize Human Resources to conduct such examinations regardless of the existence of an employment list in that classification. The names of candidates tested will then be merged with names on the existing employment list for that classification in the manner described in R13-5-304(E)(2).
 - 3.4. Retesting a merged candidate. If another examination for the same classification is held before the prior list expires, a merged candidate from the prior list may take the examination. If the candidate passes the test, Human Resources shall place the candidate on the list according to the new score. The candidate shall remain on the list for its duration.
- F. No change.
1. No change.
 2. No change.
 3. No change.
- G. No change.

R13-5-307. Reinstatement

- A. Reinstatement list. An A permanent status employee who separates from an agency may apply for reinstatement within 1 year. Upon approval of the agency head, Human Resources shall place the former employee's name on a reinstatement list for the last classification held by the employee and any previous or closely related classifications for which the employee is qualified.
- B. No change.
- C. No change.

R13-5-316. Probation

- A. No change.
- B. No change.
- C. No change.
- D. No change.
- E. No change.
- F. No change.
- G. No change.
- H. No change.
- I. No change.
- J. No change.
1. No change.
 2. No change.
 3. No change.
 4. No change.
- K. No change.
- L. No change.
- M. Probation for a returning employee. If a separated employee is reinstated to a classification previously held with permanent status, the agency head may require the employee to serve a an initial probationary period. When a separated employee is recalled or reinstated into a classification different from any classification previously held with permanent status, the employee shall serve a probationary period. If an employee is separated from an agency while serving an initial probation, the employee will be required to serve an initial probation upon being recalled or reinstated.
- N. No change.

ARTICLE 5. EMPLOYEE LEAVE

R13-5-503. Annual Leave

- A.** No change.
- B.** Accruing annual leave. An employee in pay status for 1/2 of a month shall accrue annual leave. A part-time employee scheduled to work 20 ~~40~~ or more hours in a week shall accrue annual leave based on the percentage of full-time hours specified in the appointment. A part-time employee scheduled to work less than 20 ~~40~~ hours in a week shall not accrue annual leave. A full-time employee shall accrue annual leave under the following schedule:

Beginning	Completion	Monthly accrual rate
1st year	5th year	10 hours
6th year	10th year	12 hours
11th year	20th year	14 hours
21st year		16 hours

- C.** No change.
- D.** No change.
- E.** No change.
- F.** No change.

R13-5-513. Sick Leave

- A.** No change.
1. No change.
 - a. No change.
 - b. No change.
 - c. No change.
 2. No change.
- B.** Accruing sick leave.
1. A full-time employee shall receive 10 hours of sick leave for each month of service.
 2. A part-time employee working more than 20 ~~40~~ hours per week shall receive sick leave based upon the proportion of full-time hours worked.
 3. The following employees are not eligible for sick leave:
 - a. A part-time employee working less than 20 ~~40~~ hours in a week;
 - b. An Intern; and
 - c. An Intermittent employee.
 4. An eligible employee shall receive sick leave credit if the employee is in pay status for at least 1/2 half of the employees' working days in that month.
 5. Sick leave may be accrued without limit.
- C.** No change.
1. No change.
 2. No change.
 3. No change.
- D.** No change.
- E.** No change.
- F.** No change.
- G.** No change.
- H.** No change.
- I.** No change.
- J.** No change.
1. No change.
 2. No change.
 3. No change.
- K.** No change.

NOTICE OF PROPOSED RULEMAKING

TITLE 20. COMMERCE, BANKING, AND INSURANCE

CHAPTER 4. BANKING DEPARTMENT

PREAMBLE

- | <u>1. Sections Affected</u> | <u>Rulemaking Action</u> |
|-----------------------------|--------------------------|
| R20-4-1502 | Amend |
| R20-4-1504 | Amend |
| R20-4-1505 | Amend |
| R20-4-1530 | Repeal |
- 2. The specific statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: A.R.S. § 6-123

Implementing statutes: A.R.S. §§ 6-122, 6-124, and 32-1055
- 3. A list of all previous notices appearing in the Register addressing the proposed rule:**

Notice of Rulemaking Docket Opening: 5 A.A.R. 4325, November 12, 1999

Notice of Rulemaking Docket Opening: 6 A.A.R. 1516, April 21, 2000
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name:	John P. Hudock
Address:	State Banking Department 2910 North 44th Street, Suite 310 Phoenix, Arizona 85018
Telephone:	(602) 255-4421, Ext. 167
Fax:	(602) 381-1225
E-mail:	jhudock@azbanking.com
- 5. An explanation of the rule, including the agency's reasons for initiating the rule:**

This rulemaking will amend R20-4-1502 to remove the requirement that an out-of-state collection agency agree, as a condition of licensure, to maintain an office in Arizona for the collection of claims. This revision is needed to reconcile the Section with the legislature's revision of A.R.S. § 32-1024, which removed the statutory requirement of an in-state license. That change was accomplished by the 44th Legislature in its second regular session, by the passage of House Bill 2088, Laws 2000, Ch. 7, § 4.

The same bill also amended A.R.S. § 32-1055, to remove the requirement that an out-of-state collection agency use an Arizona depository for trust funds. Laws 2000, Ch. 7, § 6. This rulemaking addresses that statutory change by amending R20-4-1505.

The Department also proposes to amend R20-4-1504 to permit the use of electronic recordkeeping systems. This revision is advisable because it can lower the licensees' costs by minimizing the cost of space to store records. At the same time, the records will remain available to the Department for examinations.

Also, the Department proposes to amend R20-4-1505 to permit licensees to disburse funds from trust accounts using electronic payments. This revision was requested by industry representatives and is advisable for two reasons. First, these payment methods are more secure than paper checks sent through the mail. Also, electronic payment systems are more economical. They allow licensees to save the costs of printed checks and postage.

Finally, this proceeding will repeal R20-4-1530, and the Department will rely on the requirements of A.R.S., Title 32, Chapter 9, Article 2 in the future. The statutes do not require the forms in the repealed Section to be in the Superintendent's rules. Repeal will allow the Superintendent to specify the particulars of the various forms outside the rulemaking process.

Additional editorial changes have been made in the text of these Sections to streamline the writing, remove passive constructions, and modernize statutory citations contained in the rules.

Arizona Administrative Register
Notices of Proposed Rulemaking

6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study, and other supporting material:

The Department does not propose to rely on any study as an evaluator or justification for the proposed rule.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

A. The Banking Department

The rules will have no effect on this agency's income and expenses. But, the Department expects the revised rules' enhanced clarity and simplicity in the licensees' operations will allow easier communication with licensees and promote improved compliance.

B. Other Public Agencies

The state will incur normal publishing costs incident to rulemaking.

C. Private Persons and Businesses Directly Affected

Costs of services will not increase to any measurable degree. In fact, these revisions should decrease any licensee's cost of doing business in compliance with these rules.

D. Consumers

No measurable effect on consumers is expected.

E. Private and Public Employment

There is no measurable effect on private and public employment.

F. State Revenues

This rulemaking will not change state revenues.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: John P. Hudock, Esq.
Address: 2910 North 44th Street, Suite 310
Phoenix, Arizona 85018
Telephone: (602) 255-4421, Ext. 167
Fax: (602) 381-1225
E-mail: jhudock@azbanking.com

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

No oral proceedings are scheduled. The Department will schedule an oral proceeding on the proposed rule if it receives a written request for a proceeding within 30 days after the publication date of this notice, under the provisions of A.R.S. § 41-1023(C). Send requests to the Department personnel listed in this preamble's questions 4 and 9. The Department invites and will accept written comments on the proposed rule or the preliminary economic, small business, and consumer impact statement. Submit comments during regular business hours, at the address listed in this preamble's question 9, until the close of the record for this proposed rulemaking. The record will close on the 31st day following publication of this notice, unless the Department schedules an oral proceeding.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 20. COMMERCE, BANKING AND INSURANCE

CHAPTER 4. BANKING DEPARTMENT

ARTICLE 15. COLLECTION AGENCIES

Section

R20-4-1502.	Applications
R20-4-1504.	Records
R20-4-1505.	Trust Account
R20-4-1530.	Forms <u>Repealed</u>

ARTICLE 15. COLLECTION AGENCIES

R20-4-1502. Applications

- A.** Application for a collection agency license shall be made by completing and filing with the Superintendent an application on the form prescribed in R20-4-1530(A). The application filed with the Superintendent shall be accompanied by the following:
1. ~~The bond required by A.R.S. § 32-1022.~~
 2. ~~The nonrefundable investigation fee and original license fee prescribed by A.R.S. § 32-1028.~~
 3. ~~A current financial statement on the form prescribed in R20-4-1530(B).~~
 4. ~~A certified copy of the current articles of incorporation, by-laws, partnership agreement, or other governing documents under which the applicant proposes to conduct business, and~~
 5. ~~A Statement of Personal History for each principal officer, partner and manager of the applicant on the form prescribed in R20-4-1410.~~
- B.** ~~An out of state collection agency applying for a license under A.R.S. § 32-1024 shall file an application as provided in subsection (A) and shall file with said application a signed statement declaring that:~~
1. ~~The requirements for securing the license upon which reciprocity is sought were, at the time of issuance, substantially the same or equal to the requirements imposed under Chapter 9, Title 32, Arizona Revised Statutes, together with a complete description of what those requirements were.~~
 2. ~~The state issuing the license upon which reciprocity is sought extends reciprocity under similar circumstances to licensed collection agents of this state, together with a complete description of the conditions upon which said state extends reciprocity.~~
 3. ~~The applicant agrees, as a condition of licensure to maintain an officer in this state for the collection of claims.~~
- C.** ~~Application for renewal of a license shall be made by completing and filing with the Superintendent, prior to January 1 of each year, an application for renewal on the form prescribed in R20-4-1530(C). Each application for renewal shall be accompanied by the renewal fee prescribed in A.R.S. § 32-1028, and a current financial statement on the form prescribed in R20-4-1530(B).~~
- D.** ~~Application for a provisional license under A.R.S. § 32-1027 shall be made by completing and filing with the Superintendent within 30 days from the occurrence of the event warranting the license as prescribed in A.R.S. § 32-1027, an application on the form prescribed in R20-4-1530(C). The application shall be completed in all respects except that in the case of the death of an individual licensee the applicant shall be said licensee's personal representative or his appointee; in the case of the dissolution of a partnership licensee, the applicant shall be the surviving partners; and in the case of the termination of employment of the active manager, the applicant shall be the existing licensee and questions regarding the active manager need not be completed. The application shall be clearly identified at the top of the first page with the inscription "APPLICATION FOR PROVISIONAL LICENSE PURSUANT TO A.R.S. § 32-1027" and shall be accompanied by the following:~~
- a. ~~The bond required by A.R.S. § 32-1022 executed and acknowledged by the applicant as principal.~~
 - b. ~~A current financial statement on the form prescribed in R20-4-1530(B).~~
 - c. ~~A detailed description of the facts justifying the issuance of a provisional license.~~
 - e. ~~In the case of termination of the employment of the active manager, evidence that the Superintendent was notified of such termination within ten days as required by A.R.S. § 32-1023.~~
- E.** ~~The Superintendent may require additional information he considers necessary in connection with any application under this rule.~~

Arizona Administrative Register
Notices of Proposed Rulemaking

- A.** An applicant for a license shall complete and file an application, as required by the Department, by delivering the application to the Superintendent, together with the following documents and payment:
1. The bond required by A.R.S. § 32-1021;
 2. The nonrefundable investigation fee and original license fee required by A.R.S. § 32-1028 and stated in A.R.S. § 6-126;
 3. A current financial statement in the form required by the Department;
 4. A certified copy of the current articles of incorporation, by-laws, partnership agreement, or other organizational documents under which the applicant proposes to conduct business; and
 5. A statement of personal history for each principal officer, partner and manager of the applicant, in the form required by the Department.
- B.** An out-of-state collection agency applying for a license under A.R.S. § 32-1024 shall complete and file the application required by subsection (A), together with a signed statement declaring that:
1. The requirements for securing the out-of-state license were, when issued, substantially the same or equivalent to the requirements imposed under A.R.S., Title 32, Chapter 9, Article 2. The statement shall also contain a complete description of those requirements.
 2. The state issuing the out-of-state license extends reciprocity to Arizona licensees under similar circumstances. The statement shall also contain a complete description of the conditions for reciprocity in the other state.
- C.** A licensee applying for license renewal shall complete and file an application, as required by the Department, by delivering the renewal application to the Superintendent before January 1st, together with the renewal fee required by A.R.S. § 32-1028 and stated in A.R.S. § 6-126. An application for renewal shall also include a current financial statement in the form required by the Department.
- D.** An applicant for a provisional license under A.R.S. § 32-1027 shall complete and file an application as required by the Department, by delivering the application to the Superintendent within 30 days of the event justifying a provisional license. The applicant shall deliver the application together with each of the following:
1. The bond required by A.R.S. § 32-1021, executed and acknowledged by the applicant as principal;
 2. A current financial statement as required by the Department;
 3. A detailed description of the facts justifying the issuance of a provisional license; and
 4. Evidence that the license notified the Superintendent as required by A.R.S. § 32-1023, in the event the licensee has terminated its active manager.
- E.** An applicant for a provisional license shall, in each instance, be appropriate to the circumstances justifying the provisional license, as follows:
1. A licensee's personal representative, or his appointee, shall complete and file an application if the licensee, a natural person, has died;
 2. The surviving partners shall complete and file an application if the licensee, a partnership, has dissolved;
 3. A licensee shall complete and file an application if an active manager's employment was terminated.
- F.** An applicant for a provisional license shall clearly label the top of the 1st page with the heading "APPLICATION FOR PROVISIONAL LICENSE PURSUANT TO A.R.S. § 32-1027".
- G.** The Superintendent may require additional information he considers necessary in connection with any application under this rule.

R20-4-1504. Records

- A.** A licensee may use a computer recordkeeping system if the licensee gives the Superintendent advanced written notice that it intends to do so. The Department shall not require a licensee to keep a written copy of its books, accounts, and records if the licensee can generate all information required by this Section in a timely manner for examination or other purposes. A licensee may modify a computer recordkeeping system's hardware or software components. When requested, or in response to a written notice of an examination, a licensee shall report to the Superintendent any modification that changes a computer system back to a paper-based recordkeeping system;
- A-B.** All collection agencies shall keep and maintain books, accounts and records adequate to provide a clear and readily understandable record of all business conducted by the collection agency, including without limitation:
1. Records or books of account setting forth listing the each clients' account of each client in numerical order, or in alphabetical order according to the clients' names of the clients. If a the collection agency keeps books of accounting are kept in numerical order, the collection agency shall alphabetically maintain an alphabetical cross-index of each client name with the corresponding with the account's number of the account. Each such account shall reflect the its true condition of each client's account at each calendar month's the end of each calendar month, and shall include:
 - a. The client's name and address; of the client;
 - b. Name of the debtor or debtors from whom collection was or is being made. Each debtor's name worked for collection in that month;
 - c. The Amount amount, and description, and date of each debit and each credit to the account; and date thereof.
 - d. The balance Balance due to, or owing from, the client.

Arizona Administrative Register
Notices of Proposed Rulemaking

2. A record and history of each debt for collection ~~that which shall~~ clearly ~~shows: show:~~
 - a. ~~The Name~~ debtor's name of the debtor;
 - b. ~~The Principal debt's principal~~ amount of the debt;
 - c. ~~The Any~~ interest charged or collected;
 - d. ~~The amount, and a description of Any any~~ other charges, with a description thereof;
 - e. ~~The amount, and date, of Each each~~ payment received or collected; and the date thereof;
 - f. The current balance due on the debt.
3. An original of ~~all each~~ written contracts contract, and amendments thereto which are between a licensee and a client, including any contract amendments, entered into between the collection agency and its clients.
4. A trust general ledger reflecting all deposits to; and ~~payments disbursements~~ from; a the trust account. ~~A The~~ collection agency shall post transactions to its trust general ledger ~~shall be posted~~ at least every 5 business days. A collection agency shall bring its trust general ledger and brought current within 24 hours ~~if when~~ requested by the Superintendent.
5. ~~The collection agency's trust account~~ A reconciliation of the collection agency's trust account, prepared at least once a month.
6. Books, records and files ~~in such condition maintained so that a spot check may be readily and easily made~~ the Superintendent can easily conduct an unannounced spot check, as well as the examinations and investigations as required by A.R.S. § 32-1052(A) §§ 6-122 and 6-124.
7. A copy of all pleadings ~~of in all~~ pending litigation ~~to which that names~~ the collection agency ~~is as~~ a defendant.
8. A record of fictitious names used by the agency's debt collectors as required by provided in R20-4-1520.

~~B.C.~~ In addition to the foregoing, all receipts issued by the collection agency shall be signed by and with the name of the person issuing the receipt, and shall show the name of the collection agency thereon. A person issuing a receipt for a collection agency shall sign the receipt using that person's true name. Each receipt shall also show the collection agency's name.

~~C.D.~~ A collection agency shall maintain All all records or complete duplicates of records, required under this rule Section shall be maintained by the collection agency and shall be make them available for examination, investigation, or audit upon demand for examination within in the state of Arizona within 3 working days after the Superintendent demands the records.

~~D.E.~~ Licensees shall retain the records required by this Section for the following time periods:

1. Licensees shall retain All all records described in paragraphs (1), (3), (4), (5), (6), and (7), and (8) of subsection (A) (B) shall be maintained for at least 6 years following their creation.
2. Licensees shall retain All all records described in paragraph (2) of subsection (A) (B) shall be maintained for at least 3 years from an account's assignment of the account to the licensee, provided however, that if If there is some collection a licensee collects any money on the an account, then, and in that event, the licensee shall retain the records described in subsection (B)(2) shall be maintained for a period of at least three years from the last collection date of the last such collection.

R20-4-1505. Trust Account

~~A.~~ Every collection agency shall within a reasonable time and in any event not more than three business days deposit in a trust account with an Arizona bank or savings and loan association all monies collected by the agency pursuant to contracts with its clients, and such monies shall remain deposited therein until remitted to such clients, or otherwise disbursed as provided in this rule A licensee that maintains an office in Arizona shall deposit all funds collected for a client in a trust account with an Arizona bank or savings and loan association. A licensee that does not maintain an office in Arizona shall deposit all funds collected for a client in a trust account at a depository in the state where the licensee maintains its principal office. A licensee shall deposit all client funds before the close of its business on the 3rd business day after the licensee receives the funds. Client funds shall remain on deposit as required by this Section until:

1. paid over to a client; or
2. otherwise paid as provided in this Section.

~~B.~~ All disbursements from the trust account shall be by prenumbered printed checks.

A collection agency shall pay funds from the trust account either:

1. By prenumbered printed checks; or
2. By electronic payment.

Arizona Administrative Register
Notices of Proposed Rulemaking

- C. ~~No funds other than those collected by the collection agency in accordance with its contract with its clients shall be deposited in the agency's trust account. Under no circumstances shall either the collection agency or any of its officers, directors, partners, managers, members or employees permit funds in which they have an interest other than that provided for in the agency's contract with its client, to be commingled with trust funds held by the collection agency. A licensee shall deposit in its trust account only the funds it has collected for its client. A licensee, its officers, directors, partners, managers, members, or employees shall not commingle, or permit the commingling of, their own funds with client funds. This prohibition includes any funds that a licensee, or any officer, director, partner, manager, member, or employee claims an interest in if that interest arises outside the licensee's contract with a client.~~
- D. ~~If the client cannot be located for purposes of making final disbursement under this rule or if any check disbursing funds to the client is returned without being negotiated, the collection agency shall retain the undisbursed funds in the trust account or in a separate trust account for dormant accounts. A licensee shall keep unpaid client funds in its trust account, or in a separate trust account for dormant accounts, if a client cannot be located for payment, or if any trust account check issued to a client is returned without being negotiated. After the time prescribed by law the collection agency shall file with the Arizona Department of Revenue the report of abandoned property required under A.R.S. § 44-361. As to all those unpaid funds, under A.R.S. § 44-317, a licensee shall file an abandoned property report at the Arizona Department of Revenue as and when required by law.~~
- E. ~~A collection agency licensee shall withdraw from the its trust account all fees and commissions due the licensee under its contract with a client and deposit them directly into the agency's its own operating account such fees and commissions as are due the agency under the contract with its client.~~
- F. ~~No disbursements shall be made from the trust accounts of the collection agency except as provided herein, or as expressly authorized in the client contract, or as authorized in writing by the Superintendent. A licensee shall not pay funds from its trust account except:~~
- ~~1. as provided in this Section;~~
 - ~~2. as expressly authorized in its contract with a client; or~~
 - ~~3. authorized in writing by the Superintendent.~~

R20-4-1530. Forms Repealed

- ~~A.~~ The form of the application for a collection agency shall be as follows:

Arizona Administrative Register
Notices of Proposed Rulemaking

STATE BANKING DEPARTMENT
101 Commerce Building
1601 West Jefferson
Phoenix, Arizona 85007

APPLICATION FOR COLLECTION AGENCY LICENSE

INSTRUCTIONS: All information
required by the application must be
typewritten or printed

(For Department Use Only)

DATE FILED _____
LICENSE ISSUED _____
LICENSE NUMBER _____
RECEIPT NO. _____ AMOUNT _____

TO THE SUPERINTENDENT OF BANKS:

Application is hereby made for a license to engage in and carry on the business of a Collection Agency, pursuant to Title 32, Chapter 9, Arizona Revised Statutes.

1. Name of Applicant: _____
(Furnish corporate, trade or individual's name under which business is to be conducted.)
2. Address of principal Arizona office where business is to be conducted:

(Street and Number) (City) (State) (Zip)
3. Mailing address (if different) _____
4. Telephone number of principal Arizona office _____
5. Is the applicant a _____ Corporation _____ Partnership _____ Sole Proprietorship _____ Other _____
6. If the applicant is not a corporation, describe the nature of the business entity on a separate sheet. If the applicant is a corporation, complete the following:
 - a. Name of the corporation _____
 - b. Place and date of incorporation _____
7. If applicant is other than an individual, give the name of the Active Manager who is to have primary responsibility for the business to be conducted by the applicant: _____
 - a. Business address _____
 - b. Residence _____
 - c. Is manager also an officer, director or partner of applicant?
Yes _____ No _____ If yes state which. _____
 - d. Is active Manager a U.S. Citizen? Yes _____ No _____
8. Does Sole Proprietorship/Active Manager have practical experience in the collection agency business?
Yes _____ No _____

Please detail Sole Proprietor/Active Managers:

Arizona Administrative Register
Notices of Proposed Rulemaking

9. The name(s) and address(es), both of residence and place of business, of the applicant, principal officers thereof if a corporation, partners thereof if a partnership are as follows: (Insert the official capacity of the person in the business entity and the number of years such person has been engaged in the collection agency business next to his name. Also indicate how many years immediately prior to this application have you resided in Arizona.)

a. _____ (Name)	_____ (Capacity) (Yrs. in Bus.)
_____ (Business Address)	_____ (Residence Address) (Yrs. at Res.)
b. _____ (Name)	_____ (Capacity) (Yrs. in Bus.)
_____ (Business Address)	_____ (Residence Address) (Yrs. at Res.)
c. _____ (Name)	_____ (Capacity) (Yrs. in Bus.)
_____ (Business Address)	_____ (Residence Address) (Yrs. at Res.)
d. _____ (Name)	_____ (Capacity) (Yrs. in Bus.)
_____ (Business Address)	_____ (Residence Address) (Yrs. at Res.)
e. _____ (Name)	_____ (Capacity) (Yrs. in Bus.)
_____ (Business Address)	_____ (Residence Address) (Yrs. at Res.)
f. _____ (Name)	_____ (Capacity) (Yrs. in Bus.)
_____ (Business Address)	_____ (Residence Address) (Yrs. at Res.)

10. Name and address of firm or agency which audits your financial records and provides accounting services:

Arizona Administrative Register
Notices of Proposed Rulemaking

11. State whether the applicant or any officer, director, partner or active manager thereof has been convicted of any criminal offense other than a traffic violation.
Yes _____ No _____
(If yes, complete and attach Statements of Personal History for such persons.)
12. State whether the applicant, or any officer, director, partner or active manager thereof has had a final judgment issued against him in a civil action on account of fraud, misrepresentation or deceit.
Yes _____ No _____
(If yes, furnish complete details on separate sheet.)
13. State whether the applicant, or any officer, director, partner or active manager thereof, has filed bankruptcy within the last ten years?
Yes _____ No _____
(If yes, furnish complete details on separate sheet.)
14. State whether the applicant or any officer, director, partner or active manager is interested in or connected with any other collection agency licensed by the Arizona Superintendent of Banks
Yes _____ No _____
(If yes, furnish complete details on separate sheet.)
15. State whether the applicant or any officer, director, partner or active manager thereof is currently licensed to conduct the business of a collection agency in any other state
Yes _____ No _____
(If yes, furnish details on separate sheet.)
16. State whether the applicant or any officer, director, partner or active manager thereof has at any time been licensed to conduct the business of a collection agency in this or any other state.
Yes _____ No _____
(If yes, furnish details on separate sheet.)
17. State whether any application by the applicant or any officer, director, partner or active manager thereof for a license to conduct the business of a collection agency has at any time been denied by this or any other state.
Yes _____ No _____
(If yes, furnish details on separate sheet.)
18. State whether any license of the applicant or any officer, director, partner or active manager thereof to conduct the business of a collection agency has at any time been suspended or revoked by this or any other state.
Yes _____ No _____
(If yes, furnish details on separate sheet.)
19. If applicant is applying for a license based pursuant to A.R.S. Section 32-1024 relating to out-of-state collection agents, does applicant hold a valid and subsisting license to operate a collection agency issued by another state?
Yes _____ No _____
(If yes, explain on separate sheet the requirements existing in the state of licensure.)
Does state concerned extend reciprocity rights under similar circumstances to licensed collection agents of this state?
Yes _____ No _____
(If yes, furnish details on separate sheet.)
20. If license is issued, do you agree to maintain an office within the state of Arizona?
Yes _____ No _____

21. Attached to this application are: the surety bond required by A.R.S. Section 32-1022; checks for the nonrefundable investigation fee and original license fee prescribed by A.R.S. Section 32-1028; a current financial statement as prescribed by R20-4-1530(B), current articles of incorporation, by-laws, partnership agreement or other governing documents under which the applicant proposed to conduct business; Statements of Personal History for each principal officer, partner or active manager of the applicant.

State of _____)
) SS
County of _____)

I, _____, being duly sworn, depose and say that I have personal
(Name of person signing application)
knowledge of the matters contained in and attached to this application and everything contained therein is true and
correct to the best of my knowledge and belief; and that I have signed this application as _____
(official capacity)
of the above named applicant, having full authority to sign such application in said capacity.

Subscribed and sworn to before me this _____ day of _____, 19 _____

My commission expires _____/_____/_____

Arizona Administrative Register
Notices of Proposed Rulemaking

B. The form of the financial statement for a collection agency shall be as follows:

STATE BANKING DEPARTMENT

101 Commerce Building

1601 West Jefferson

Phoenix, Arizona 85007

COLLECTION AGENCY FINACIAL STATEMENT

TO THE SUPERINTENDENT OF BANKS:

The financial statement of the licensee/applicant described below for the period beginning _____, 19 ____
and ending _____, 19 ____ is hereby submitted.

NAME OF LICENSEE/APPLICANT _____

ADDRESS _____

CITY & STATE _____

I. BALANCE SHEET (As of the end of the reporting period)

ASSETS

	Dollars	Cents
1. Cash _____	_____	_____
2. Notes Receivable – Secured _____	_____	_____
3. Notes Receivable – Unsecured _____	_____	_____
4. Accounts Receivable – Current _____	_____	_____
5. Accounts Receivable - Past Due _____	_____	_____
6. U.S. Govt. obligations _____	_____	_____
7. Real Estate (Part II, line 5) _____	_____	_____
8. Stock, bonds & other investments (Part III, line a) _____	_____	_____
9. Other Assets (Part IV, line 9) _____	_____	_____
10. TOTAL ASSETS (sum of lines 1 thru 9) _____	_____	_____

LIABILITIES

	Dollars	Cents
11. Notes Payable _____	_____	_____
12. Accounts Payable _____	_____	_____
13. Accrued Taxes _____	_____	_____
14. Accrued Interest _____	_____	_____
15. Subordinated Notes & Debentures _____	_____	_____
16. Due to affiliates _____	_____	_____
17. Other liabilities (Part V, Line 4) _____	_____	_____
18. TOTAL LIABILITIES (sum of lines 11 thru 17) _____	_____	_____

NET WORTH

19. Preferred stock - Number of shares outstanding _____	
Par value per share _____	
20. Common stock - Number of shares authorized _____	
Number of shares outstanding _____	
Par value per share _____	
21. Additional paid in capital _____	
22. Retained earnings (deficit) _____	
23. Capital reserves _____	
24. TOTAL NET WORTH (sum of lines 19 thru 23) _____	
25. TOTAL LIABILITIES & NET WORTH (sum of lines 18 & 25) _____	

Arizona Administrative Register
Notices of Proposed Rulemaking

II. SCHEDULE OF REAL ESTATE OWNED

Description & Location	Title and Owner	Cost	Appraisal Value	Mortgages	Tax Value	Insurance
1.			\$	\$	\$	\$
2.						
3.						
4.						
5. Total Real Estate Owned		\$				

III. SCHEDULE STOCKS, BONDS AND OTHER INVESTMENTS

DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
1.	\$	5.	\$
2.		6.	
3.		7.	
4.		8.	
		9. Total Stocks, Bonds and Other Investments	\$

IV. SCHEDULE OF OTHER ASSETS INVESTMENTS

DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
1.	\$	5.	\$
2.		6.	
3.		7.	
4.		8.	
		9. Total Other Assets	\$

V. SCHEDULE OF OTHER LIABILITIES

Name of Creditor	Amount	Type of Obligation	Description of Security	Amount of Security
1.	\$			\$
2.				
3.				
4.				
5.				
6.				
7. Total Other Liabilities	\$			

VI. SCHEDULE OF CONTINGENT LIABILITIES

1. Upon Notes or Accounts Receivable Discounted	
2. As Guarantor for Other on Notes Bonds Contracts, etc.	
3. Any Other Contingent Liability	
4. Total Contingent Liabilities	\$

Arizona Administrative Register
Notices of Proposed Rulemaking

VII. STATEMENT OF NET WORTH AND INCOME AND EXPENSES

1. Net Worth at end of previous year	_____
2. Income	
3. Income from collections	_____
4. Profit (or loss) on investments	_____
5. Income from investments	_____
6. Other Income	_____
7. Total Income (sum of lines 3 thru 6)	_____
8. Expenses	
9. Salaries	_____
10. Accounting Services	_____
11. FICA taxes	_____
12. Other taxes	_____
13. Supplies	_____
14. Depreciation	_____
15. Insurance & bonds	_____
16. Advertising	_____
17. Interest	_____
18. License & Examination fees	_____
19. Office Expenses	_____

20. Other Expenses	_____

21. Total Expenses (sum of lines 9 thru 20)	_____

22. Profit (loss) (line 7 less line 21)	_____
23. NET WORTH AT END OF REPORTING PERIOD (line 1 plus line 22)	_____

If line 23 does not agree with line 24 of Part I. (Balance Sheet), explain fully on a separate sheet

Arizona Administrative Register
Notices of Proposed Rulemaking

VERIFICATION

State of _____)
County of _____) SS

I, _____, being duly sworn, depose and say that I have personal
(Name of person signing application)
knowledge of the matters contained in and attached to this application and everything contained therein is true and
correct to the best of my knowledge and belief; and that I have signed this application as _____
(official capacity)
of the above named applicant, having full authority to sign such application in said capacity.

Signature

Subscribed and sworn to before me this _____ day of _____, 19 _____

(Notarial Seal)

My commission expires _____

Arizona Administrative Register
Notices of Proposed Rulemaking

C. The form of the application for renewal of a collection agency license shall be as follows:

STATE BANKING DEPARTMENT

101 Commerce Building
1601 West Jefferson
Phoenix, Arizona 85007

COLLECTION AGENCY
APPLICATION FOR LICENSE RENEWAL
For Period Ending _____, 19 ____

(For Department Use Only)

DATE FILED _____
RECEIPT NO. _____
AMOUNT _____

TO THE SUPERINTENDENT OF BANKS:

Application is hereby made to renew the Collection Agency license, described below:

1. Name of licensee making application: _____

(Name shown on license)

License No. _____

2. Street address _____

Phone _____

3. State whether the information is contained in the original application for license, as supplemented by any application for renewal heretofore filed, has changed.

Yes _____ No _____

(If yes, furnish details on separate sheet.)

4. General Information

A. Has a bond of not less than \$3,000 as required under A.R.S. § 32-1021 and 32-1022 been maintained in full force and effect at all times during the reporting period?

Yes _____ No _____

(If no, explain on separate sheet.)

B. Has applicant rendered an account of and paid to all clients, for whom collections have been made, the proceeds collected, less collection charges as agreed to between applicant and client within 30 days from the last day of the month in which collections have been made?

Yes _____ No _____

(If no, explain on separate sheet.)

C. Has applicant deposited with a local depository all monies collected by him and due and owing clients, and to keep such monies deposited until remitted to such clients?

Yes _____ No _____

(If no, explain on separate sheet.)

D. Has applicant kept a record of monies collected and the remittance of such monies?

Yes _____ No _____

(If no, explain on separate sheet.)

E. Have there been any changes during the reporting period in the name under which applicant does business or address at which the business is conducted?

Yes _____ No _____

(If the changes have not been so filed explain on separate sheet.)

F. Has the applicant aided or abetted, directly or indirectly, any person, persons or organizations in evading or violating any of the provisions of this article?

Yes _____ No _____

G. Have any lawsuits been filed against the collection agency during the reporting period which related in any manner to the licensee's business?

Arizona Administrative Register
Notices of Proposed Rulemaking

ness as a collection agency?

Yes _____ No _____

(If yes, explain on separate sheet)

5. Attached is a check for the renewal fee required by A.R.S. 32-1028; a true financial statement as prescribed by R20-4-1530(B).

VERIFICATION

State of _____)
County of _____) SS

I, _____, being duly sworn, depose and say that I have personal
(Name of person signing application)
knowledge of the matters contained in and attached to this application and everything contained therein is true and
correct to the best of my knowledge and belief; and that I have signed this application as _____
(official capacity)
of the above named applicant, having full authority to sign such application in said capacity.

Signature

Subscribed and sworn to before me this _____ day of _____, 19 _____

(Notarial Seal)

My commission expires _____